GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Ltd - Development of Krishnapatnam Node under CBIC Project through an SPV formed in the name and style of NICDIT Krishnapatnam Industrial City Development Ltd. - Reconstitution of the Board of SPV and transfer of activation area land to an extent of 2,139.15 Acres from out of the total extent of 12,083.36 Acres of CBIC Project spread in 8 Villages of SPSR Nellore District from APIIC to the SPV Company i.e. M/s NICDIT Krishnapatnam Industrial City Development Limited duly exempting the value of Stamp Duty - Orders - Issued.

INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.20 Dated:23.03.2021

Read the following:

1. G.O.Ms.No.25, Ind& Com (Infra) Dept, dt.09.02.2017.
2. G.O.Ms.No.39, Ind& Com (Infra) Dept, dt.08.03.2017.
3. G.O.Ms.No.133, Ind& Com (Infra) Dept., dt.07.05.2018.
4. State Support Agreement (SSA) and Shareholders Agreement (SHA) dt. 23.11.2017.
5. Act No.7 of 2018 "Andhra Pradesh Industrial Corridors Development Act" (APICDA), dt.04.01.2018.
6. G.O.Ms.No.46, Ind& Com (Infra) Dept, dt.28.08.2020.
7. From the VC&MD, APIIC Ltd., Lr.No.APIIC-16022/14/2020-ENGG WING I-APIIC, received on 23.10.2020.
8. From the VC&MD, APIIC Ltd., Single File No.APIIC-16022/19/2020-ENGG WING I-APIIC, dt.11.12.2020.
9. From the CEO & MD, National Industrial Corridor Development Corporation Ltd., (NICDC), New Delhi D.O.Lr.No.CEO&MD/NICDC/2021/1, dt.02.012.2020 & 08.01.2021.
10. Board of Krishnapatnam Industrial Node Meeting held on 21.01.2021.
11. From the DOI, A.P., Vijayawada Single File No.INC02-19021/6/2021-AD-FP-DOI, dt.12.02.2021.

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ORDER:

In the reference 2nd read above, orders were issued to enter the State Support Agreement (SSA) for development of Krishnapatnam Node under CBIC authorising the APIIC with the agency designated by Government of India. According to sub-clauses 3.2 (i)(a)& (b) of SSA, the State Government shall by an appropriate notification under provisions of Section 9 of Indian Stamp Act, 1899 and other enabling provisions as applicable in the State, exempt the applicability of Stamp duty on the transfer to, or acquisition/procurement of by, the Project Company of the land constituting the site, whether such transfer is effected in whole or in part by the Nodal Authority or any other agency or where the land is acquired in whole or part by the Project company. The exemption from payment of stamp duty specified in sub-clause (a) shall also extend to the first transfer of parcels of lands that may be made by the Project company to users, developers, contractors, construction companies, joint ventures or any other person as may be determined by the Project company, in the course of execution of the Master Plan.

2. In the reference 3rd read above, orders were issued according permission to the APIIC Ltd., for incorporation of Special Purpose Vehicle (SPV) Company as Joint Venture between National Industrial Corridor Development and Implementation Trust (NICDIT) and APIIC Ltd. for development of Krishnapatnam Node under CBIC Project with an initial investment of Rs.2.50 Crores in tune with the Share Holders Agreement (SHA) entered between NICDIT and APIIC Ltd. and State Support Agreement (SSA) executed between NICDIT, Government of India agency and APIIC, Nodal Authority of GoAP on 23.11.2017 as ordered in the references 1st & 2nd read above respectively. The SPV in the name and style of NICDIT Krishnapatnam Industrial City Development Ltd. is formed between GoI agency NICDC and the Nodal Authority, which is APIIC, for taking up activities of node including infrastructure development activities for establishment of industrial township in Krishnapatnam Node under CBIC.

(P.T.O.)

3. The NICDIT in its first meeting in 2017 has directed Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) to proceed with detailed master plan and preliminary engineering for the three identified nodes viz., Krishnapatnam, Nakkapalli & Srikalahasti in participation with the State Government. NICDIT and APIIC have jointly developed the required framework for Krishnapatnam as per the policy of GoI. NICDIT has also approved the SHA and SSA between NICDIT & APIIC with regard to the Krishnapatnam node and thus a dedicated SPV has been formed to develop the Krishnapatnam Node. Project SPV for the development of Krishnapatnam Node is a 50:50 JV between NICDIT and the GoAP (through APIIC) with an initial paid-up share capital of Rs.5 Crore. DMICDC appointed CH2M International as consultants in November, 2017, to prepare master plan and carry preliminary design engineering for the Node. Krishnapatnam Node master plan is approx 12,316 Acres and development is proposed in three phases such as Phase I (Activation area) -3,090.60 Acres, Phase II-4,215.9 Acres & Phase III-5,009.40 Acres.

4. Subsequently, A.P. Industrial Corridors Development Authority (APICDA) has been formed through enactment of Act No.7 of 2018 vide reference 5th read above, wherein, the Hon'ble Chief Minister is the Chairman of the Authority.

5. According to the minutes of 4th Meeting of NICDIT held on 30.08.2019 received vide Note dt.02.09.2019 of CEO, NICDIT through Dy.No.P-155795, it was mentioned that the CBIC being the priority Node, the Board of Trustees have approved (i) development in Phase-A of CBIC; (ii) preparation of detailed master plan & DPR; and (iii) preparation of SHA and carrying out other statutory activities and therefore directed to take the implementation of priority Node in phased manner and works should be initiated only after transfer of land to the SPV.

6. In order to operationalise the provisions of the APICD Act, 2017, orders were also issued vide reference 6th read above, constituting A.P. Industrial Corridor Development Authority, Board and Executive Committee under the relevant provisions of the Act and till then APIIC was nominated as the nodal authority on behalf of Government of A.P. to engage with Government of India.

7. In the reference 7th read above, the VC&MD, APIIC Ltd. has stated that Krishnapatnam node was identified under CBIC in A.P. The Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) is the Knowledge/Joint Venture partner which was awarded the work of 'Preparation of Master Plan and Preliminary Design Report for Roads & Services/Utilities for the Krishnapatnam Node under CBIC to CH2M on February 2, 2017. The node area was proposed in 12,083.23 Acres, spread across two Districts in SPSR Nellore & Chittoor. Around 10,479.37 Acres of land falling in SPSR Nellore District and balance 1,603.86 Acres of land falling in Chittoor District. Further, a Special Purpose Vehicle (SPV) has been formed as a Joint Venture of APIIC Ltd. (Nodal Authority) and National Industrial Corridor Development Corporation Ltd. (NICDC) (GOI Agency) named as "NICDIT Krishnapatnam Industrial City Development Limited", with 50:50 % share holding respectively. Since the infrastructure works are going to be commenced, now NICDC is requesting for the registration of the land in the name of SPV company. After detailed survey, the net land to be acquired is worked out within the North Node boundary is 10,154.66 Acres falls in Eight (8) Villages of SPSR Nellore Dist after deletion of Sand Dunes, Forest land, Man Grooves area and 1,566.90 Acres within the South Node boundary falls in Four (4) Villages falls of Chittoor District. As such total extent of land measuring to 11,721.56 Acres are required to be allotted/transferred from APIIC Ltd. to SPV Company "M/s NICDIT Krishnapatnam Industrial City Development Ltd" and therefore requested Government to issue necessary orders for exemption of Stamp Duty and transfer duty in the matter.

8. In his further proposal vide reference 8th read above, the VC&MD, APIIC Ltd., has sought approval for transfer of land identified for Krishnapatnam Node to the SPV and initially to transfer the Activation area and also to accord permission for exemption of stamp duty on such transfer in line with the clause No.4.1 & 4.3 of the SSA & SHA stating that the Node is proposed in an extent of 11,721.56 Acres out of which an extent of 2,500.04 Acres are proposed to be developed under

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Activation area of the project which needs to be transferred immediately to SPV. The revised net land for Activation area after deduction of Sand dunes & Forest land duly adding land parcels required for spine Road comes to 2,139.15 Acres and land for further phases shall be made available to the SPV in due course as per the availability. The NICDIT Board, under 4th NICDIT board meeting held on 30.08.2019 has approved the estimated cost of the project (including land cost) at SPV level of Rs.2,139.44 Crore for construction of various infrastructure components for Activation area for which Environmental Clearance is in advanced stage and Public hearing was conducted on 10.11.2020. Based on the approval of the NICDIT Board, EPC Bid documents for undertaking the development works in the Activation area are under finalization by NICDC.

9. In the reference 9th read above, CEO & MD, NICDC has sought support of State Government in connection with implementation of Krishnapatnam Industrial area in the State of A.P. as part of CBIC Project such as early appointment of PMNC to support the Project SPV/State Govt, notification of master plan to be expedited by State Government, exemption of stamp duty for transfer of land to the Project SPV, submission of final EIA report to MoEF & CC and APCZMA for the Public hearing conducted on 10.11.2020 for seeking EIA clearance, finalisation of EPC tender documents for Roads & services excluding the proposed PPP components already shared with State Government/APIIC for comments & suggestions to float the tenders by December, 2020 with target to start the works in February, 2021.

10. As per the sub-clauses 3.2 (i) (a) & (b) of SSA, since the issue of exempting stamp duty on transfer of the Activation area has to be notified by Revenue (REG.I) Department, the Director of Industries, A.P., Vijayawada vide reference 11th read above, has furnished requisite information with regard to payment of Rs.34 Crores towards Stamp Duty to be levied on the SPV towards registration charges for transferring of the land from APIIC to the SPV company as sought for by Revenue (REG.I) Department.

11. The Cabinet Committee on Economic Affairs (CCEA), GoI has approved the Project on 30.12.2020 and EPC tenders and release of equity by GoI shall happen post CCEA approval. The total Infrastructure Cost of the Project is Rs.1,448 Crores and means of Finance is (a) Project to be developed by 50:50 SPV owned by NICDIT and GoAP; (b) GoAP's equity is in the form of land for project SPV which is valued at Rs.621 Crores; (c) NICDIT's equity is in the form of equal amount of equity into SPV (Rs.621 Cr.); and (d) balance debt of Rs.827 Crores to be raised from market.

12. Government, after careful examination of the matter hereby order to re-structure the SPV to support for its full functioning and to designate Additional Commissioner (APICDA) as the Managing Director & CEO by re-constituting the Board in accordance with Clause 3.1.5 of the SHA vide reference 4th read above as follows since GoI's funding for project SPV is conditional with GoAP transferring 2,139.15 Acres of land for phase-I (activation area) to the SPV:

Sl.No.	SPV Board Member	Position
1	Commissioner, APICDA	Chairman
2	MD/CEO of the SPV Concerned	Member Convener
3	Joint Collector, Revenue & Rythu Bharosa Concerned	Member
4	Nominated Member by NICDIT	Member
5	Nominated Member by NICDIT	Member
6	Nominated Member by NICDIT	Member
7	Nominated Independent Director	Independent Director
8	Nominated Independent Director	Independent Director
9	Any other special invitees as per the requirement	Special Invitees

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13. Government also hereby accord permission to APIIC Ltd., for transfer of Activation area land to an extent of 2,139.15 Acres from out of the total extent of 12,083.36 Acres of the Node to the Special Purpose Vehicle (SPV) formed as joint venture between National Industrial Corridor Development and implementation Trust (NICDIT) and APIIC Ltd., in pursuance to SHA & SSA of the Project duly exempting the value of Stamp Duty to a tune of Rs 34.00 Crores as exemptions for transfer of land from one Government Entity to an SPV is a common practice across the country.

14. The Revenue (REG.I) Department is requested to issue appropriate notification under the provisions of Section 9 of Indian Stamp Act, 1899 and other enabling provisions as applicable in the State, exempting the applicability of Stamp duty on the above transfer.

15. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited (APIIC) shall take further necessary action in the matter, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, APIIC Tower, 9th to 11th Floors, Plot No.CFC-1, IT Park, Mangalagiri, Guntur District, A.P. – 522 503.

The Revenue (REG.I) Department, A.P. Secretariat, Velagapudi.

Copy to:
The Additional Commissioner, APICDA.
The CEO & MD, National Industrial Corridor Development Corporation Ltd., (NICDC), 8th Floor, Tower.I, 124, Jeevan Bharti Building, Parliament Street, Connaught Place, New Delhi.
The P.S. to Minister (I&C, IT, SD &Trg.).
The P.S. to Chief Secretary to Govt., A.P.Secretariat, Velagapudi.
The P.S. to Secretary to C.M., A.P. Secretariat, Velagapudi.
The P.S to Spl. Chief Secy to Govt & CIP, Ind& Com Dept., A.P. Secretariat, Velagapudi.
SC/SF.

//FORWARDED : : BY ORDER//
SECTION OFFICER